



Michigan Municipal Electric Association

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November 27, 2018

The Honorable Gary Glenn
MI House of Representatives
P.O. Box 30014
Lansing, MI 48909

Re: House Bills 6428, 6429, and 6430

Chairman Glenn:

This three-bill package was introduced as a result of a decision released by the Michigan Supreme Court (MSC) on May 18th, 2017. In a unanimous opinion, the MSC *held* that MPSC Rule 460.3411 of the Michigan Administrative Code (known as "Rule 411") is inapplicable to municipal utilities. Rule 411 provides that between regulated utilities, the first utility serving a parcel of land is entitled to serve the entire electric load on that premise *in perpetuity*.

To place municipally owned, rural electric cooperatives, and investor-owned utilities on a level playing field, these set of bills define a customer as THE BUILDING OR FACILITIES SERVED RATHER THAN THE INDIVIDUAL, ASSOCIATION, PARTNERSHIP, CORPORATION, GOVERNMENTAL BODY, OR ANY OTHER ENTITY TAKING SERVICE.

These bills would also prevent a utility from providing electric delivery service to a customer who is *CURRENTLY RECEIVING OR WITHIN THE PREVIOUS THREE YEARS HAS RECEIVED* that service from another utility without consent of the current serving utility. This prevents a customer from simply requesting that their existing utility disconnect electric service, and soon after request another utility to provide service. This prohibition does not apply within the corporate limits of a municipality that operates an electric utility.

The third issue addressed is to delete language in MCL 124.3 and MCL 117.4 that is no longer relevant due to changes made to 2008 PA 286.

MMEA has worked with CE, DTE, MECA, and MEGA on the issue of how to provide MMEA with the benefit of being the prevailing party in the 2017 MSC decision, while also resolving unintended consequences of that decision.

Thank you Chairman Glenn and Committee Members for the opportunity to provide testimony. I would be pleased to answer any questions that you may have.

Jim Weeks
Executive Director